



**MEDIA RELEASE**  
**For Immediate Release**  
**April 28, 2006**

**Contact: Thomas P. Colantuono**  
**United States Attorney**  
**John Farley**  
**Mark Irish**  
**Assistant U.S. Attorneys**  
**(603) 225-1552**

**VERMONT MAN PLEADS GUILTY TO HEALTH CARE FRAUD CHARGES**  
**AND PAYS \$350,000 CIVIL FRAUD SETTLEMENT**

**CONCORD, NEW HAMPSHIRE:** JOEL BERG of 457 Ray Hill Road in Wilmington, Vermont, pled guilty to ten counts of health care fraud. Berg also paid \$350,000 to the United States to settle potential civil violations of the False Claims Act.

At yesterday's plea hearing, the government advised United States District Judge Paul Barbadoro that if the case had proceeded to trial, the United States would have presented evidence that BERG, using a business known as Medical Geriatrics, Incorporated ("MGI"), submitted claims to Medicare for over \$66,000 in goods that were never provided to Medicare patients.

According to the government, Berg would travel to various nursing homes and solicit orders for therapeutic footwear for diabetic patients. Medicare will pay for therapeutic shoes and up to three sets of inserts for certain diabetic patients. Evidence obtained during an investigation of BERG and MGI indicated that BERG frequently submitted Medicare claims for inserts that he did not provide to patients. Records demonstrated that BERG and MGI submitted electronic claims and obtained Medicare reimbursement for approximately 6,661 inserts while only obtaining approximately 1,646 inserts from suppliers. As a result, BERG caused MGI to obtain approximately \$66,198 from Medicare for approximately 5,015 inserts that were never provided to any patient. During the hearing, the prosecutor discussed patients at several facilities in New Hampshire who did not receive the inserts for which Medicare paid. These individuals were patients at the Genesis Healthcare facility in Keene, New Hampshire, the Harborside Pheasantwood facility in Peterborough, New Hampshire, and the Rochester Manor facility in Rochester, New Hampshire.

Judge Barbadoro scheduled sentencing for August 30, 2006. For each count, BERG faces a maximum sentence of ten years in prison, a fine of \$250,000, three years of supervised release, and a \$100 special assessment.

In addition to his guilty plea, BERG and MGI recently have entered into a civil settlement with the United States to settle possible violations of the civil False Claims Act. Although BERG and MGI did not admit to any liability, as part of the settlement they agreed to pay \$350,000 to the United States to settle claims that they submitted false claims to Medicare for (1) therapeutic shoes and inserts that were not reimbursable because they were not supported by appropriate documentation from physicians to establish the medical necessity for the shoes and inserts; (2) inserts that were not reimbursable because they were not molded to patients' feet using an external heat source; (3) inserts that were not provided to patients; (4) shoes, inserts, and AFO ankle gauntlets without any documentation supporting the medical necessity for these goods or while possessing documents from physicians indicating that the goods were not medically necessary; and (5) AFO ankle gauntlets that were not medically necessary or were not provided.

As part of the settlement agreement, BERG and MGI have agreed to be excluded from the Medicare and Medicaid programs for a period of 12 years. The United States has agreed to dismiss a civil action that was filed against BERG and MGI. That civil action sought an injunction to freeze certain assets and to prevent BERG and MGI from committing health care fraud. The United States also agreed to dismiss a civil forfeiture action that had been filed against the contents of a bank account. The contents of the bank account will be used to pay part of the \$350,000 settlement.

"We are especially vigilant about protecting the financial integrity of the Medicare program. Because Medicare and Medicaid provide coverage to the most vulnerable members of society, we will always be aggressive in identifying and prosecuting fraud against these programs," said U.S. Attorney Tom Colantuono.

U.S. Attorney Colantuono expressed his thanks to Joseph C. Moraski, Special Agent in Charge of the United States Department of Health and Human Services, Office of Inspector General, Office of Investigations, Mark Dragonetti, Resident Agent in Charge of the Food and Drug Administration, Office of Criminal Investigations, and Kenneth W. Kaiser, Special Agent in Charge of the Federal Bureau of Investigation, for the cooperation and assistance of their agencies in the investigation of these cases.

The cases are being handled by Assistant United States Attorneys John Farley and Mark Irish.

# # #